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MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA : Deputy Director (Support)
Executive Director

SUBJECT : Reorganization of the Office of the Comptroller

1. This memorandum contains recommendations submitted for your approval. The recommendations are contained in paragraph 5.

2. The following proposed changes in the structure of the Office of the Comptroller have been discussed on various occasions with Mr. Kirkpatrick, Col. White and, in very general terms, with Mr. Helms. The changes proposed are considered essential to provide the Comptroller with the competence and staff necessary to undertake effective program analysis. With the exception of the Chief, Budget Division, there are no officers on the Comptroller's Staff who have had substantive intelligence or operational experience. A minimum of two or possibly three relatively senior officers familiar with the substantive programs and activities of the Agency will be required if the Comptroller's Office is to be expected to make any serious independent contribution to the evaluation of CIA programs and activities. These officers, assisted by others, would undertake the analysis of programs which come under scrutiny during the course of a budget review because of their intrinsic importance, size, and cost to the Agency, or because they are, for one reason or another, contentious. This analysis would hopefully establish some basis for evaluating the productiveness and effectiveness of activities as against their net cost to the Agency in terms of money and manpower and also in terms of intangible costs, including risk of compromise, etc. Until at least two qualified officers are available to undertake this kind of analysis, it is doubtful whether any very effective presentation concerning the implications and potentialities of programmed activities can be expected from the Comptroller.

3. The most complex areas requiring program analysis are obviously the DD/P and the activities now comprehended in DD/R. Effective program analysis in both of these areas will depend very largely on the competence with which these components themselves are able to contribute to the development, presentation, and evaluation of their own programs and activities. Fortunately, both areas have already achieved a very considerable competence

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25X1A9a for this purpose. The mechanics for project and program development and
25X1A9a control which DDP/PG, Mr. [REDACTED], has created in the DD/P, work very effi-
ciently. Mr. [REDACTED], who has served for many years as Executive
Secretary of the PRC, has contributed to the indoctrination of components
outside of the DD/P in project and program procedures. It will be an
objective of the Comptroller's Office to confirm and continue, insofar as
possible, practices and procedures as they exist today and the Comptroller
25X1A9a will continue to rely primarily on Mr. [REDACTED]' Office for the development
of the DD/P budget. His Office would, in effect, be regarded as an extension
of the Comptroller's Office in the DD/P which would continue to support the
requirements of the DD/P while keeping the Comptroller informed of developments
which have fiscal or budgetary connotations and responding to his over-all
direction.

4. Effective evaluation in the last analysis will depend on the ability
of the individual components to provide the factual basis for a critical
review of the cost and achievements of particular projects. Higher authority
inside or outside the Agency interested, for example, in the net productiveness
of a particular CA project carried on by an Area Division in the DD/P will have
to look primarily to the appropriate component (in this case the CA Staff) of
the DD/P to provide most of the facts with respect to both the cost (tangible
and intangible) and the returns (actual or expected, tangible or intangible)
from the project in question. It is, therefore, important that the individual
components continue to maintain and indeed develop a stronger capacity for
fact-finding, analysis and evaluation. Officers on the Staff of the Comptroller
will largely serve to stimulate, monitor, guide, and review the efforts of these
components insofar as their efforts are directed toward program analysis in
support of a budgetary review.

5. In support of the foregoing, the following specific authority is
requested:

25X1A9a a. Designation of DDP/PG (Mr. [REDACTED]) as an Assistant
Comptroller with the title, "Assistant Comptroller for the DD/P".

b. Increase of the Comptroller's Office by four positions --
two to provide for relatively senior DD/P officers and two
secretaries. The officers would be attached to the present
Financial Analysis Staff which would be redesignated as the
Program Analysis Staff. An increase in the T/O of the Comp-
troller's Office to accommodate these two additional officers
and two additional secretaries will be required. Authority
for this increase is requested in principle subject to appropriate
classification for the grade levels of the positions created. The
two officers required will need DD/P experience and can probably

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25X1A9a only be found in the DD/P area. It is suggested that the Comptroller
and the DD/P jointly identify individuals qualified for the purpose
and arrange for their transfer to the Office of the Comptroller on a
basis of mutual convenience. Mr. [REDACTED] of the FI Staff and Mr. [REDACTED]
25X1A9a [REDACTED] Staff have the qualifications necessary for this 25X1A9a
assignment although the DD/P may be able to suggest officers who are
either better qualified or equally qualified and more readily available.

6. Some additional increases in the personnel strength of the Comptroller's Office will be required to meet the burden of the very substantial increase in the volume of business which the Comptroller's Office has had to absorb since its last increase in 1956. Staffed-out requests for increases for this purpose will be submitted for review in connection with the review of the 1964 budget. It is hoped that the need for increases can be partially offset by reductions which can be effected through certain reorganizations and through the establishment of outside unofficial cover facilities to undertake certain responsibilities.

FOIAb3b

[REDACTED]
JOHN A. BROSS
Comptroller

CONCURRENCES:

See Attached Memo.
Deputy Director (Support)

8 June 62
Date

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[REDACTED]
Executive Director

18 June 1962
Date

The recommendations contained in paragraph 5. are approved:

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[REDACTED]
Deputy Director of Central Intelligence

9 Aug '62
Date

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